

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF MARTIN GAS, INC., )  
FOR AN INCREASE IN GAS RATES ) CASE NO. 9550

O R D E R

On January 18, 1988, Martin Gas, Inc., ("Martin") filed a petition requesting that the Commission rehear, reconsider and amend paragraph 3 of its Order date December 28, 1987, and to extend the current customer surcharge to January 31, 1993, rather than September 1992, as provided for in the Order.

Martin originally indicated the necessity for an extension of the surcharge in its letter filed by counsel dated June 19, 1987. Therein, Martin stated that the obtaining of additional financing was conditioned upon the extension of the surcharge for 1 additional year. This statement was corroborated by an attached letter from the Executive Vice President of the First Guarantee National Bank in Martin, Kentucky, Martin's primary lender. At this time, the surcharge expiration dated stood at January 31, 1992, per Appendix B of the Commission's Order dated October 10, 1986.

In its staff report dated October 19, 1987, staff recommended that the surcharge be extended until September 1992. In its response to the staff report dated November 6, 1987, Martin agreed

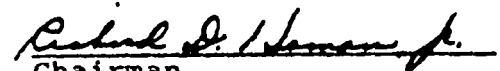
with the date specified by staff and requested an Order extending the surcharge until September 1992. However, neither the recommendation by staff nor the subsequent agreement and request by Martin accomplished the objective of satisfying the conditions imposed by the lender.

Upon reconsideration of the facts as contained in the record, the Commission finds that in order for Martin to comply with the conditions now imposed by its primary financing source, the surcharge should be extended until January 31, 1993.

IT IS THEREFORE ORDERED that the surcharge of Martin currently in effect be and hereby is extended until January 31, 1993.

Done at Frankfort, Kentucky, this 3rd day of February, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director